



# GRAIN TRANSPORTATION REPORT

Agricultural Marketing Service  
United States Department of Agriculture

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November 10, 1997

**USDA Files Comments With The STB.** Comments were filed by USDA with the Surface Transportation Board (STB) in several railroad regulatory proceedings now being decided by the STB. On October 21, comments were filed at the STB on the \$10.2 billion sale and proposed acquisition of Conrail by the Norfolk Southern Corp. (NS) and the CSX Corp. USDA indicated in those comments that although it was concerned with the greatly increased concentration in the U.S. railroad industry, it would neither support nor oppose the acquisition of Conrail by the other two railroads. This position was based on analysis by USDA over a period of 9 months which revealed little potential for any anti-competitive effect. The analysis also revealed there would be little cost savings to agricultural shippers from the proposed merger. On October 23, USDA also filed comments in an STB proceeding which was initiated to collect information and recommendations to improve railroad service in the western United States. USDA comments in this proceeding indicated a concern with the level of rail services being provided agricultural shippers, and specifically requested that: (1) the STB require the Union Pacific/Southern Pacific (UP/SP) railroad provide information by which railroad services to agricultural shippers could be monitored, and (2) the STB require other railroads to provide service to UP/SP shippers in certain limited circumstances. USDA Assistant Secretary Michael Dunn delivered these comments in an open forum on these issues at the STB hearing on October 27. As a result of this hearing, on November 3, the STB declared a "transportation emergency in the West" due to UP/SP's freight delays, and ordered the UP/SP to open a portion of its Houston freight business to the Kansas City Southern Railroad (Tex-Mex) for the next 30 days (until December 4). The STB has the authority to extend the order for another 240 days, and may elect to do so at a hearing scheduled for December 3, if shippers continue to voice complaints to the STB about service-related problems on the UP/SP system.

**Customers Voice Concern About Breakup Of Conrail.** Shippers and government officials have voiced concern with changes that will be created when Conrail is merged by the CSX and NS into their respective rail networks. The merger application filed with the STB has raised significant concerns about issues such as trackage rights, competition, and service. For instance, Maine's department of transportation fears that the "transaction cannot ultimately prove beneficial unless competitive access for two Class I carriers is provided" in their State. The Chemical Manufacturers Association (CMA) and the Society for the Plastics Industry (SPI) said "as the UP/SP merger has shown, there is very little room generally for errors in rail mergers. A generation ago, if a merger created a bottleneck, there was usually another railroad available to route around the problem. That flexibility is gone today." The CMA and SPI said there is broad concern about operating plans for "shared assess areas." Also, shippers said that information systems for managing acquired properties must be in place, so a repeat of problems being experienced by UP/SP customers doesn't occur.

**River Situation.** At the Melvin Price Locks and Dam during the previous 24 hours ending midnight Sunday (Nov. 9), 9 tows with 84 barges passed upbound, and 12 tows with 145 barges passed in the downbound direction. Also, on Nov. 9, a 4 hour transit delay had tows backed up at Lock & Dam 25. On Monday (Nov. 10), at 6:00 a.m., there were no tows waiting to go upbound, and one waiting to go downbound. In the Columbia River Basin on Friday (Nov. 7), 5 vessels were at berth loading, while 5 waited.

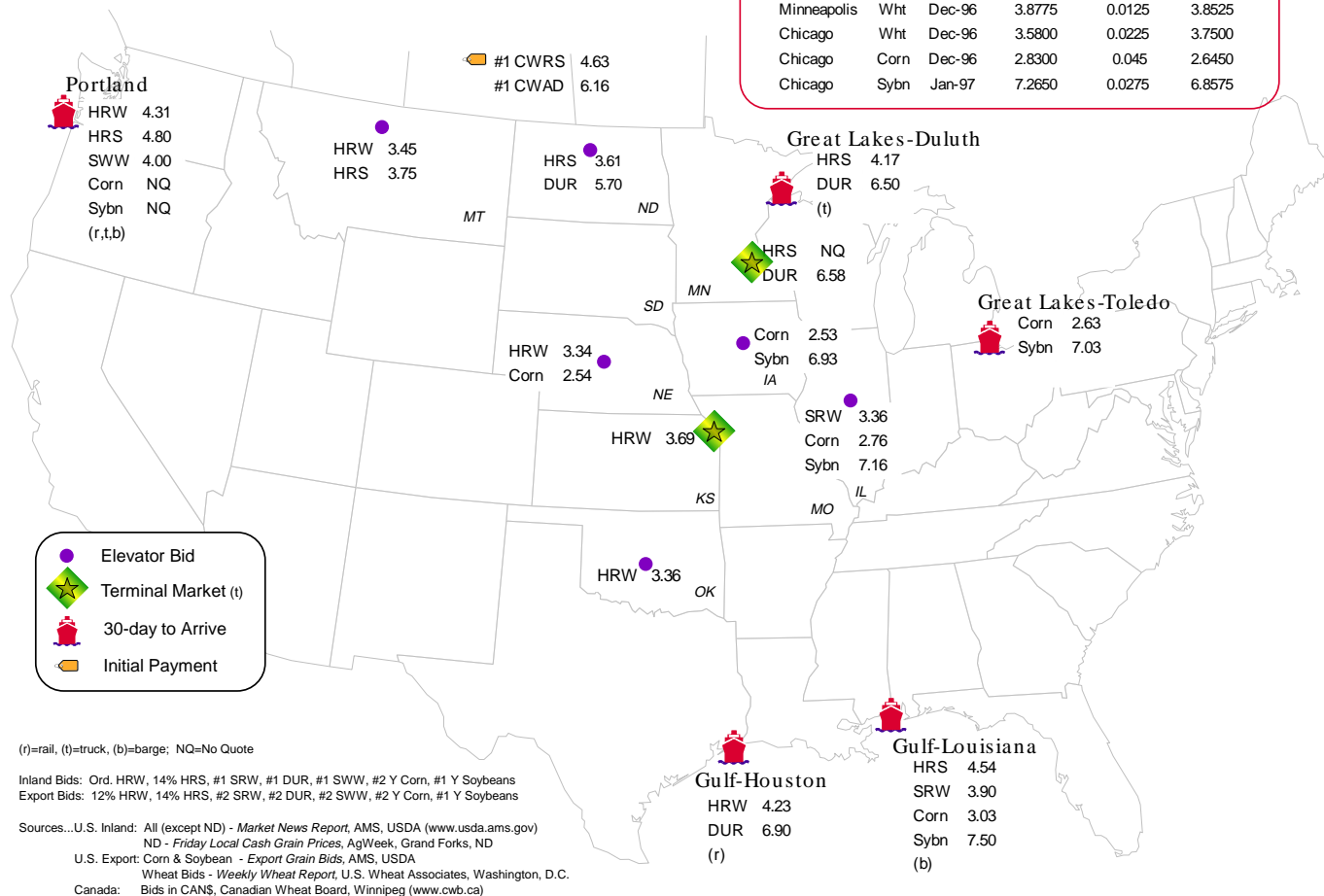
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This report is prepared by Bill Dunton, Traffic Management Specialist. Other contributors to this report include Karl Hacker, Nick Marathon, and Paul Bertels, Agricultural Economists, AMS, Transportation and Marketing Division - (202) 690-1303. You can retrieve this document from our Automatic Fax System by using the handset on your fax machine and dialing (202) 690-1707. Reach us on the Internet at [www.usda.gov/ams/tmd/grain.htm](http://www.usda.gov/ams/tmd/grain.htm).

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## Grain Bid Summary



### Rail Car 'Auction' Offerings

Delivery for:	Dec-97		Feb-98	
	<u>Offered</u>	<u>% Sold</u>	<u>Offered</u>	<u>% Sold</u>
<b>BNSF-COT</b>	23,546	99%	18,290	53%
<b>UP-GCAS</b>	5,400	100%	5,400	9%

Source: Transportation & Marketing Division/AMS/USDA; www.bnsf.com; www.uprr.com

### Secondary Rail Car Market

Average Premium/Discount to Tariff, \$/Car - Last Week

	Delivery Period			
	Nov-97	Dec-97	Jan-98	Feb-98
BNSF-COT	\$69	\$44	\$64	\$64
CP-GEEP	\$(32)	\$0	\$(10)	\$0
UP-Pool	\$205	\$162	\$172	\$146

Source: TMD/ERS/USDA. Data from Atwood-Kellogg Co., Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.;  
GF=Guaranteed Freight, GEEP=Guaranteed Eqpt. Exchange, Pool=Guaranteed Pool

note... bids listed are market INDICATORS only & are NOT guaranteed prices, missing value=No Bid Quoted

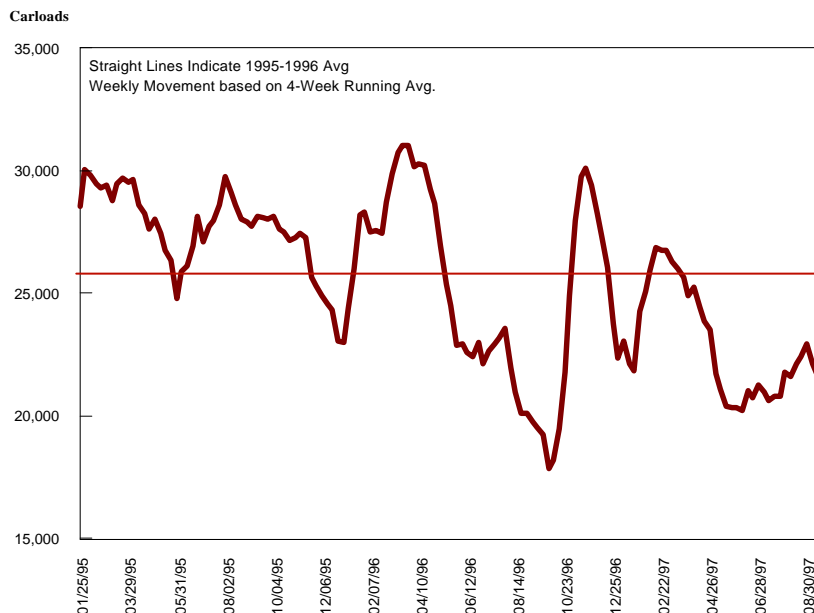
### Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, \$/Car - Last Auction

Delivery for:	Jan-98	Feb-98	Mar-98
COT/N. Wheat	\$14	\$6	\$2
COT/S. Corn	\$228	\$177	\$120
GCAS/Region 2	\$206	\$171	\$151
GCAS/Region 4	\$201	\$176	\$151

Source: TMD/AMS USDA. Data from [www.bnsf.com](http://www.bnsf.com), [www.uprr.com](http://www.uprr.com),  
(COT=Certificate of Transportation; GCAS=Grain Car Allocation System)

### Grain Car Loadings for Class I Railroads



#### Class I Railroad Grain Car Loadings

Week Ending:	Carloads
10/18/97	25,099
10/25/97	26,631
11/01/97	24,449
Year to Date - 1997	1,016,983
Year to Date - 1996	1,102,167
Total 1996	1,284,527
Total 1995	1,428,694

Source: American Association of Railroads

### Class I Rail Carrier Grain Car Bulletin

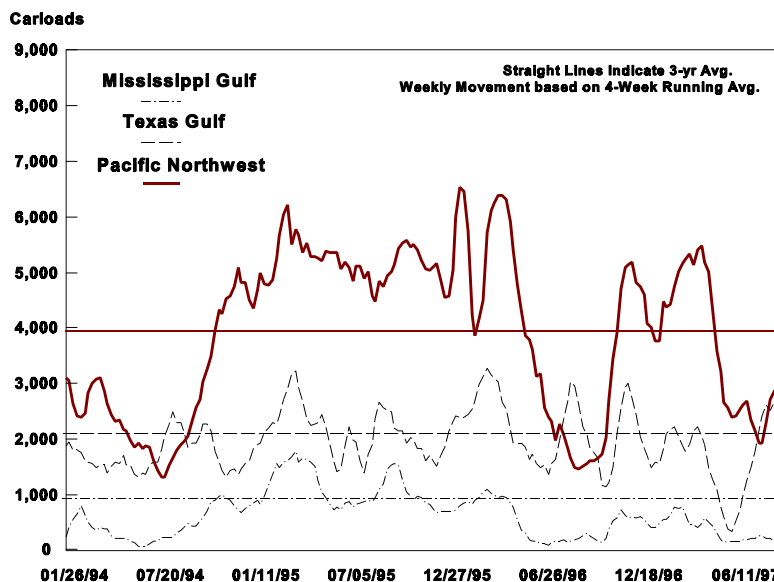
#### Carloads

	Conrail	CSXT	<u>East</u>		NS	BNSF	<u>West</u>		<u>Canada</u>	
			IC				KCS	UP	CN	CP
10/25/97	1,041	3,167	2,230		2,622	9,347	728	7,338	3,758	5,710
This Week Last Year	784	2,683	1,443		3,156	9,276	752	11,006	3,578	6,990
1997 YTD	21,717	91,399	67,238		99,141	354,947	28,403	323,435	142,230	225,133
1996 YTD	26,556	88,122	45,577		105,827	354,189	24,729	357,257	99,785	129,843
1996 Total	31,733	111,509	48,695		131,568	432,687	30,009	439,865	129,714	181,387
1995 Total	37,851	133,755	61,612		139,043	410,274	34,393	447,786		

Source: American Association of Railroads

### Rail Deliveries to Port

Rail Deliveries to Port				
Carloads				
	Mississippi Gulf	Texas Gulf	Pacific Northwest	Atlantic & East Gulf
Week Ending:				
10/15/97	674	2,072	3,359	192
10/22/97	437	1,908	3,724	499
10/29/97	651	1,675	3,907	634
YTD 1997	16,294	78,247	156,712	6,249
YTD 1996	21,064	93,099	158,882	9,115
Total 1996	25,560	112,397	197,897	11,090
Total 1995	57,124	111,028	268,783	15,437
Source: Transportation & Marketing Division/AMS/USDA				
YTD-Year-to-Date				

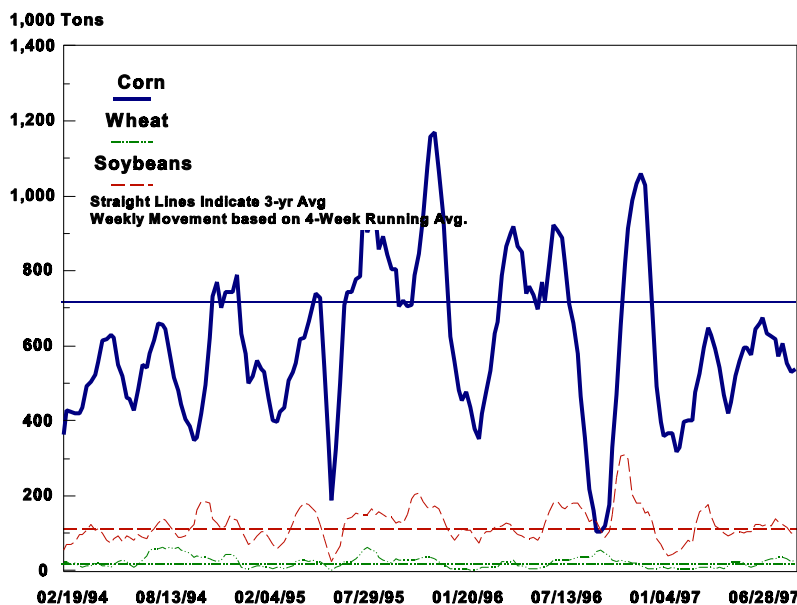


### Barge Grain Movements for week ending 11/1/97

	Corn	Wht	Sybn	Total
	1,000 Tons			
Mississippi River				
Rock Island, IL (L15)	227	0	70	229
Winfield, MO (L25)	405	3	282	693
Alton, IL (L26)	701	3	394	1,102
Granite City, IL (L27)	709	16	406	1,136
Illinois River (L8)	202	0	83	287
Ohio (L52)	41	10	44	179
Arkansas (L1)	0	13	28	40
1997 YTD	23,768	2,369	7,588	36,486
1996 YTD	27,043	2,129	6,665	39,202
Total 1996	34,210	2,348	8,297	48,963
Total 1995	38,327	2,388	7,877	54,433

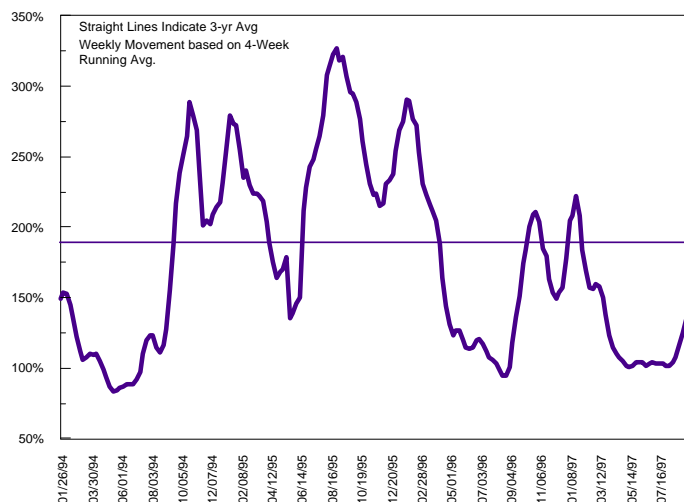
Miss YTD: Calendar year totals include Miss/27, Ohio/52 and Ark/1.  
Source: U.S. Army Corp of Engineers

### Barge Movements - Locks 27



### Spot Barge Rate - Illinois River

Index - Percent of Tariff Rate



### Southbound Barge Freight Rates

	11/5/97	10/30/97	Dec. '97	Feb. '98
Twin Cities	242	231	nq	nq
Mid-Mississippi	187	206	nq	nq
Illinois River	142	153	145	180
St. Louis-Cairo	127	136	120	117
Lower Ohio	147	159	135	135
Cairo-Memphis	120	124	115	115

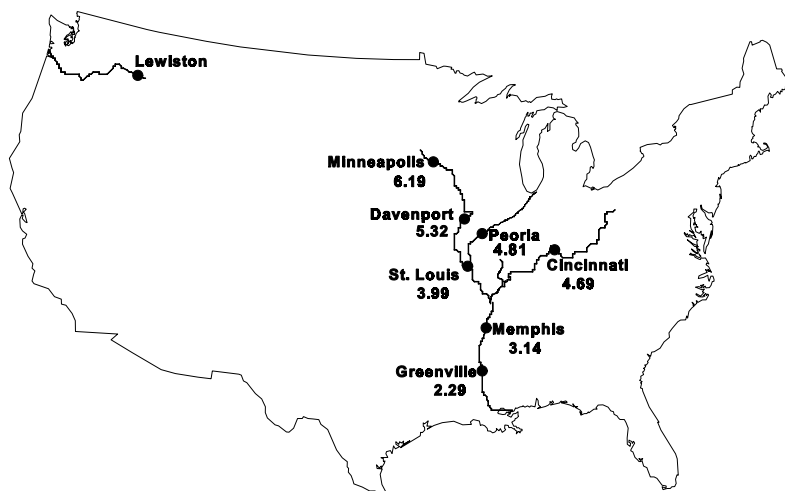
Source: Transportation & Marketing Division/AMS/USDA  
nq- not quote

### Southbound Barge Freight Contract Rates\*

Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate
10/31/97		no trades reported	

\* Merchants Exchange of St. Louis Daily Barge Call Session



**U.S. Export Balances\*** (1,000 Metric Tons)

	Wheat						Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR	All			
<u>Unshipped Exports-Crop Year</u>									
10/30/97	1,751	433	1,007	728	329	4,248	7,299	8,105	19,652
This Week Year Ago	955	263	1,312	857	150	3,538	14,308	7,545	25,391
<u>Cumulative Exports-Crop Year</u>									
96/97 YTD	4,464	2,959	2,874	2,395	596	13,289	6,207	5,150	24,646
95/96 YTD	4,677	3,181	3,770	2,603	447	14,677	5,776	3,683	24,136
95/96 Total	9,867	6,792	8,918	6,443	897	32,917	55,769	23,550	112,236
94/95 Total	10,157	5,453	7,686	5,837	893	30,026	54,742	23,410	108,178

Source: Federal Grain Inspection Service YTD-Year-to-Date (ffas.usda.gov) Crop Year: Wheat=5/31-6/01, Corn &amp; Soybeans=9/01-8/31

**Select U.S. Port Regions - Grain Inspections for Export - 1,000 Metric Tons**

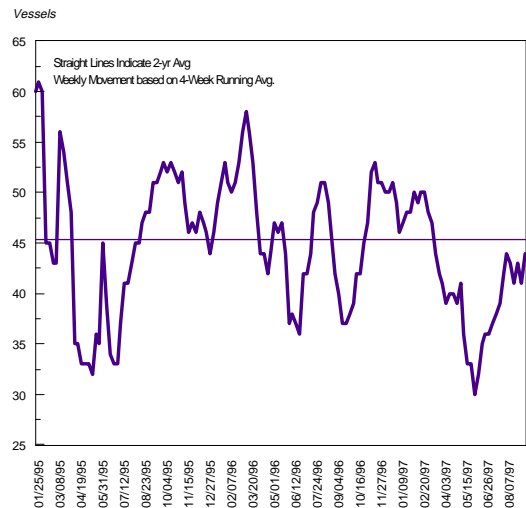
	Pacific Region			Mississippi Gulf			Texas Gulf		
	Wheat	Corn	Soybean	Wheat	Corn	Soybean	Wheat	Corn	Soybean
10/23/97	124	80	122	76	421	807	80	0	42
1997 YTD **	9,150	8,210	1,273	5,283	23,612	12,712	4,166	989	527
1996 YTD **	11,112	7,675	1,435	6,442	28,403	12,348	6,974	708	404
% of Last Year	82%	107%	89%	82%	83%	103%	60%	140%	131%
1996 Total	12,803	10,550	1,820	7,207	36,634	17,687	7,766	1,226	772

Source: Federal Grain Inspection Service \*Year Ago-This Week a Year Ago \*\* YTD-Year-to-Date

**Select Canadian Ports - Export Inspections**  
1,000 Metric Tons, Crop Year

	Wheat	Durum	Barley
Vancouver	1,964	274	377
Prince Rupert	891	0	228
Prairie Direct	227	47	41
Thunder Bay	213	225	95
St. Lawrence	1,619	363	8
1997 YTD Exports	4,914	909	749
1996 YTD Exports	3,255	1,154	749
% of Last Year	151%	79%	100%

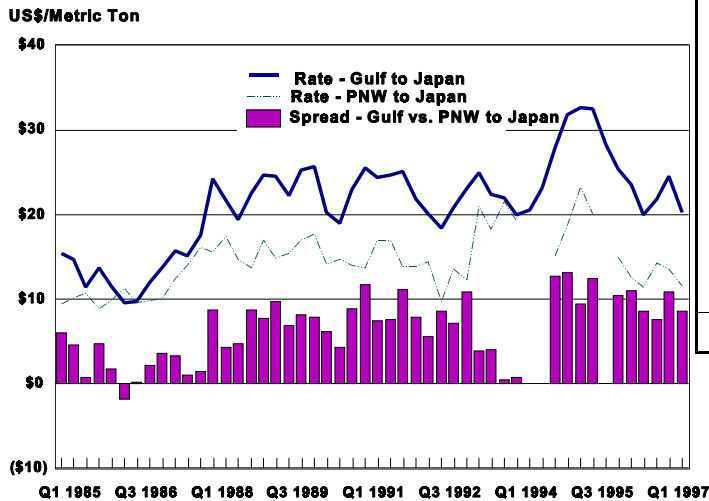
Source: Canadian Grains Commission \*Year Ago-This Week a Year Ago \*\* YTD-Year-to-Date Crop Year 8/1-7/31

**Gulf Region  
Vessels Loaded  
- Past 7 Days-****Port Region Ocean Grain Vessels**

	Gulf			Pacific Northwest			Vancouver, B.C.		
	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days	In Port	Loaded 7-Days	Due Next 10-Days
10/30/97	34	50	67	0	0	0	0	0	0
11/6/97	35	56	75	0	0	0	14	16	4
1996 Range	(17..46)	(38..61)	(27..88)						
1995 Range	(11..67)	(22..64)	(31..90)						
1996 Avg	37	46	62						
1995 Avg	31	45	60						

Source: Transportation &amp; Marketing Division/AMS/USDA

## Quarterly Ocean Freight Rates



## Quarterly Ocean Freight Rates

Weighted Average Rates &amp; Vessel Size, U.S. Dollars/Metric Ton - Basis

	1996 1 <sup>st</sup> Qtr	1997 1 <sup>st</sup> Qtr	% Change		1996 1 <sup>st</sup> Qtr	1997 1 <sup>st</sup> Qtr	% Change
Gulf to				Pacific NW to			
Japan	\$25.09	\$24.52	-2%	Japan	\$14.09	\$13.61	-3%
Korea	\$23.63			Korea	\$12.94	\$12.06	-7%
Taiwan	\$23.81	\$23.54	-1%	Taiwan	\$14.31	\$15.06	5%
Rotterdam	\$11.53	\$11.78	2%				
N. Africa	\$18.91	\$21.86	16%	Argentina to			
Venezuela	\$17.06	\$16.24	-5%	Japan	\$24.47	\$34.70	42%
Mexico	\$22.18	\$10.83	-51%	Rotterdam	\$22.18	\$15.62	-30%

Source: TMD/AMS/USDA

## Ocean Freight Rates

Export Region	Import Region	Month	Vessel Size tons	Freight Rate \$/ton
St. Lawrence	Iran	November	50,000	\$20.00
PNW	Japan	November	54,000	\$13.25
Gulf	Japan	December	54,000	\$23.00
Gulf	China	November	50,000	\$22.00
Gulf	Morocco	November	30,000	\$12.50
Gulf	Hamburg	November	60,000	\$11.50

Source: Maritime Research Inc.

## Tariff Rail Rates for Unit Train Shipments

November 1, 1997

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
05/24/97	45560	Wheat	Minneapolis, MN	Houston, TX	\$2,588	\$23.48	\$0.78
10/02/97	43521	Wheat	Minneapolis, MN	Portland, OR	\$4,241	\$38.48	\$1.27
09/25/97	46531	Wheat	Kansas City, MO	Houston, TX	\$1,350	\$12.25	\$0.41
10/16/97	43586	Wheat	Kansas City, MO	Portland, OR	\$3,591	\$32.59	\$1.08
10/16/97	43581	Wheat	Omaha, NE	Portland, OR	\$3,305	\$29.99	\$0.99
09/16/97	31040	Corn	Minneapolis, MN	Portland, OR	\$2,865	\$22.87	\$0.80
09/16/97	33110	Corn	Kansas City, MO	Houston, TX	\$1,500	\$11.97	\$0.42
10/01/97	31035	Corn	Kansas City, MO	Portland, OR	\$2,600	\$20.75	\$0.73
09/16/97	31030	Corn	Omaha, NE	Portland, OR	\$2,915	\$23.26	\$0.82
09/13/97	61180	Soybean	Minneapolis, MN	Portland, OR	\$2,980	\$27.04	\$0.89
09/13/97	61180	Soybean	Omaha, NE	Portland, OR	\$2,680	\$24.32	\$0.80

Approximate Load/Car = 100 tons

\*Est. with Wheat=60 lb/bu; Corn=56 lb/bu; Soybean=60 lb/bu

Source: www.bnsf.com